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SUBJECT: ETHIOPIA: SCHOLARS DESCRIBE THE WEAKENING OF STATE
INSTITUTIONS, ECONOMIC MISMANAGEMENT (PART II OF V)

REF: A. ADDIS ABABA 1111
[1](#)B. ADDIS ABABA 1357

Classified By: Ambassador Donald Yamamoto. Reasons 1.4(b) and (d).

PART II OF V. THIS FIVE-PART CABLE DETAILS ETHIOPIAN
SCHOLARS' VIEWS ON THE ETHIOPIAN POLITY.

Summary

[1](#)1. (S/NF) Ethiopian scholars interviewed on the Ethiopian polity following the ruling Ethiopian People's Revolutionary Democratic Front's (EPRDF) landslide victory in the April local elections (ref A) cautioned that the EPRDF power play is weakening state institutions and adversely impacting the economy. The scholars divided roughly into two camps: Pluralists, who favored participatory democracy, and Statists, who favored a dominant EPRDF. Part I of this series outlined how, in the scholars' views, the EPRDF is consolidating de facto one-party rule (ref B). In this Part II, both Pluralists and Statists alleged that the EPRDF does not respect the rule of law and is seeding key state institutions with ideologues at the expense of professional standards. They also lamented what they described as a rapid rise in rent-seeking behavior, spurred by inflationary pressures in the economy that affect directly the enormous civil service. Statist scholars were particularly concerned that the EPRDF is mismanaging the economy by failing to open up key sectors, such as the financial sector. End Summary.

Weakening the State

[1](#)2. (S/NF) The scholars collectively cautioned that the EPRDF's power play is, both by design and collateral effect, weakening state and societal institutions, eroding trust among peoples and groups, damaging the economy and, ultimately, threatening Ethiopia's stability. Pluralists and Statists alike expressed particular concern over the EPRDF's influence on the judiciary and (mis)conduct of economic policy, both of which, they argue, undermine the state in the long run by favoring party loyalty over professional standards. A marginal Statist AAULAW faculty member remarked that "This is a situation where the state consistently violates its own laws. The Constitution is a smoke screen. Trust in institutions is eroding. Arbitrary arrest and detention are widespread. The judicial system is slow and corrupt. The legislature is broken. The priorities now must be internal stability and the viability of state

institutions. We need the basics: courts that work and basic civil rights. TPFL colleagues of mine argue that the West took 300 years to develop political freedoms. But even with a million years this process won't move forward because the EPRDF is not serious. They are recycling ideas among themselves. There no checks and balances." A Pluralist AAULAW faculty member added, "Ethiopia is highly centralized and laws on paper don't matter. Judges are recent graduates, displacing those with experience. Family connections and political affiliation determine positions. The institutions of the state are powerful only in that authorities have unlimited power and citizens have no recourse against the arbitrary decisions of the state." A Pluralist think tank expert added, "The (proposed) civil society legislation is depressing. The (proposed) press law is repressive." The former TPLF think tank expert argued, "National institutions are fragmenting. The state is contested. Strong institutions are not being created. Short-term thinking dictates EPRDF actions. Political parties and civil society institutions are failing. Conducting discredited elections only fostered more cynicism. Some even now say 'Meles is (Eritrean President) Isaias (Afwerki) minus honesty.'"

12. (S/NF) The scholars emphasized that EPRDF control now extends well beyond the political realm. A Pluralist AAULAW faculty member noted that "The EPRDF works aggressively to recruit students. This has led to silence and withdrawal by students and very few arrests. In fact, students benefit financially by silence. Likewise, there is no homogeneity among faculty. Professional academics are atomized, while students are increasingly divided along ethnic lines. There is no vigorous public debate in universities of topical

issues." The Pluralist civil society activist observed, "Students from Oromiya must sign a declaration of allegiance to the OPDO before going to college. Their future depends on the party. Likewise, there is no genuine debate in Parliament, no public discourse. Key institutions have been gutted, including the Ethiopian Human Rights Commission, the Ombudsman, the Corruption Commission. They exist only on paper. The ignorance of officials in the rural administrations is unbelievable. But if you grumble, you are beaten." A Statist think tank expert with TPLF ties said, "Elections are meaningless without building institutions. Ethiopia has rules copied from elsewhere but the institutions are not there. The judiciary is not independent. The Human Rights Commission is impotent. The Ombudsman lacks credibility. One of my fears is that leadership is getting comfortable with the idea that all is well. It's like a frog in a boiling lake. They won't realize the temperature is rising until it is too late."

Security Forces At Risk

13. (S/NF) The scholars broadly agreed that the EPRDF is firmly in control of the military and state security services. However, some scholars cautioned that the EPRDF's aggressive consolidation of power and current policies threaten to weaken these institutions, to the detriment of Ethiopia's stability. A Pluralist AAULAW faculty member argued that "A security sector from one ethnicity, even one locality, cannot be sustained forever. You can't continue when you are hated by the people. Day by day things are going out of control." The Pluralist former TPLF think tank expert concurred, noting "Tensions will emerge within security and military institutions because there are limits to politicization." The Statist think tank expert with TPLF ties warned, "Ethiopia has a strong army but it is dispersing everywhere. The government is increasingly run along clan and tribal lines. The security forces are frustrated. The government cannot match the rising costs of living with salary raises. Just one Colonel could call it a day."

Escalating Corruption

14. (S/NF) The scholars' consensus was that the EPRDF power

play, coupled with an emerging (policy-generated) economic crisis characterized by severe inflationary pressures and hoarding of commodities, has led to a sharp up-tick in rent-seeking behavior in Ethiopia. A Pluralist think tank expert assessed, "For EPRDF's local authorities, losing their posts means losing their benefits. There are pressures on the civil service to join the ruling party to retain their benefits. This has led to repressive actions." The marginal Statist AAULAW faculty member said "Corruption is rising. After 2005, the government admitted it failed to deliver basic services and pledged to reform, but went in a negative direction. Everyone has delved into corruption. The major preoccupation is self-enrichment. It is criminal trade. What is happening in the banks and in the state-owned enterprises? It is a moral crisis and if it persists unabated we will have a full-fledged civil war." The Statist think tank expert with TPLF ties agreed, "Meles wants an Asia-style developmental state that is corrupt but efficient in promoting economic growth. (Yet) corruption is rising too fast. Ethiopia has one of the biggest civil services in Africa, more than 480,000 people exclusive of state security services. The huge public sector means salary increases must be widespread. When (increases) can't be sustained to meet inflation, rent-seeking behavior crops up. The Ethiopian government is now simply a protection racket." Another Pluralist think tank expert noted that "The EPRDF cadres are getting rich selling land. Only cadre members benefit and tell us baldy 'You are a fool if you don't want to live a better life' The only difference between Meles and (former Dergue leader) Mengistu (Hailemariam) is Meles is clever, while Mengistu was a bull. We have serious corruption. There is no transparency. People join the party solely for economic benefit. The same situation obtained in the last days of the Dergue regime. But there will be a time when the EPRDF can't afford this strategy and there's no land left to give away, and a crisis will come."

Economic Mismanagement

15. (S/NF) The scholars uniformly disparaged the EPRDF's management of the economy, with the Statists particularly critical. They described statist business policies that keep key sectors of the economy, such as telecommunications and financial services, largely closed, that privilege party members' interests over private sector concerns and that generally stifle competition. "Take Meles and (Foreign Minister) Seyoum Mesfin away," said the Statist think tank expert with EPRDF ties, "and there is no capability. Well-qualified people are needed to run the nation but the level of EPRDF arrogance is generating intense frustration among ordinary Ethiopians. The government has a foreign currency crisis, but they don't know how to fix it. The EPRDF has no choice but to open the financial sector. Only North Korea and Cuba have capital markets this closed. The problem is the EPRDF has no experience. 85 percent of Ethiopia's cash flow comes from four companies." A Pluralist think tank expert offered the most optimistic assessment of the EPRDF's economic policies, noting only that "The economy is not about to collapse. Tax revenue has been growing for six to eight years. Debt relief has helped. But the severe drought will cause a tough year, combined with constricting international assistance pipelines. Unfortunately, the EPRDF's direction is exacerbating poverty. There are no counterbalances. Past years' growth was led by good rains. But inflation, particularly for food prices, is a serious concern. So there's an impending crisis and the EPRDF has said soon we'll be a middle income country. Government propaganda is divorced from reality."

16. (S/SF) Other scholars were even harsher in their assessment. The former TPLF think tanker warned, "Even growth figures are problematic. People doubt the numbers. Figures may be inflated. There is no independent think tank research or even debate within the ruling party. Moreover, government structures are too heavy and the EPRDF redirects resources from the economy to sustain conflict." A Pluralist AAULAW faculty member added that "The EPRDF will not listen

to other views, even on economics. They don't want to hear constructive criticism, and that's a terrible sign." The Pluralist civil society representative said, "The EPRDF thinks they simply must feed people and no one will grumble. It is not true." "Ethiopia's two problems are (i) poverty and (ii) underdevelopment and political transition," the Pluralist former TPLF think tanker observed. "The EPRDF has no solutions for either. The EPRDF's only source of legitimacy is economic growth, but growth cannot hold without a stable political environment. Moreover, growth has been driven by political imperative, fueled by massive and quick state spending. This has contributed to inflation. Basically, the EPRDF is bringing problems, not solutions, because they are more focused on control than development."

END PART II of V. NEXT: SCHOLARS' VIEWS ON WHAT THEY DESCRIBE
AS THE RULING PARTY'S AUTHORITARIAN PRACTICES
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